

Process E-File Returns in the Locality

Process

[PROCESS RETURNS ELECTRONICALLY IN THE LOCALITY - TAX YEAR 2017](#)

Effective Date

01/01/2018

Purpose

The purpose of this task is to explain how to file a customer's tax year **2017** return using the e-File application. Using e-File is a means of electronically submitting tax return data using software that is processed through the Internal Revenue Service's (IRS) joint federal/state e-File program. It is intended to increase filing efficiency and decrease the cost of processing tax returns.

Special Notes

- Customers will receive their refund via 2 methods: (1) Direct Bank Deposit to their checking or savings or (2) paper check.
- Localities must be authorized to e-file individual income tax returns before beginning this task.
- **E-filing can only be used for walk-in customers as the customer must be present during the e-filing of the income tax return.**
- e-File System
 - e-File supported software requires the capability to **scan and attach** documents that are referred to as Binary Attachments. These documents are PDFs and require a specific naming convention as detailed in the Handbook listed below. Please note, software providers may or may not support Binary Attachments. If the commercial software used by the local office allows the attachment of supporting PDFs, generally the software will provide specific instructions on this process to ensure the proper identifiers are assigned to each PDF, where necessary, for data integrity.
 - When returns and scanned attachments cannot be submitted through e-File software, the paper return must be processed instead.
 - The 2017 Individual e-File Guide is an additional resource to help guide you through the electronic filing process. You may view the **Guide** on the TAX [website](#).
 - This task applies to e-filing **current** year income tax returns only.
- E-filing state income tax returns are counted as prepared and filed by the local office.
- Returns **do not** need to be screened prior to preparing for e-filing.
- Each local office must decide if they want to:
 - Prepare the customer's federal and state income tax returns and electronically file both the federal and the state return OR
 - Prepare the state income tax return and electronically file both the federal and the state return OR
 - Prepare and file only the state tax return
- The returns/schedules that **can** and **cannot** be e-filed:
 - CAN E-FILE

- Customer is present
- Current year tax return
- Virginia Form 760
- Virginia Form 760PY
- Virginia Form 763
- Virginia Schedules ADJ, FED, OSC, CR
 - Virginia Schedule CR credits requiring attachments - IF the e-File software **does support** Binary Attachments
 - Credits for taxes paid to any state - IF the e-File software **does support** Binary Attachments
NOTE: When required supporting state returns are not included with the Virginia return, IRMS will send a letter to the customer requesting this information. This may cause a delay in the processing of a customer's refund while awaiting supporting documentation.
- CANNOT E-FILE
 - Customer is not present
 - Prior year tax return
 - Virginia Form 770
 - Withholding reported on Form 4852, Substitute W-2 or Substitute 1099-R
 - Timely Tax Due returns when the calendar date to e-file them is May 2nd or later.

Procedure

Responsibility

Locality Representative

Steps

1. Receive the paper return or return documents from the customer in your office.
2. If the return **cannot** be e-filed, end this task and process a paper return to be sent to TAX after screening in your office.
Please refer to [PROCESS: SCREEN LOCAL FILED TAX RETURNS - TAX YEAR 2017](#).
3. If the return is submitted as a **refund**, the return is treated as "timely" by IRMS.
4. If the return is submitted **May 1st or earlier**, the return is treated as "timely" by IRMS.
5. If the return is submitted **May 2nd or later**, the return is treated as "late" by IRMS.
NOTE: This applies to tax due returns postmarked by May 1st or received in the locality office by May 1st. If you do not submit these timely received returns by May 1st, then they will not be processed as "timely" by e-File. As stated in the Special Notes, the paper return can still be processed for the customer to receive the May 1st timely date.
6. E-file the customer's return.
 - A. Access the e-File software.
 - B. Enter the customer's return information.
NOTE: Returns requiring Binary Attachments will require documents to be scanned during this part of the process.
NOTE: This includes entering the Date of Birth of the customer(s). This is also used by customers who request their refund via Debit Card, as the Date of Birth is required to activate the card.
 - C. If the customer brought in a completed paper return, you may want to verify that the bottom line of the e-file return equals that on the customer's paper return.
 1. If the bottom line does agree, continue to Step 6D.

2. If the bottom line does not agree, check that you entered the information accurately or resolve the problem with the customer.
- D. If the return is a **tax due** return, encourage the customer to use Direct Debit or Credit Card.
 1. If paying via **Direct Debit** or **Credit Card**,
 - a. Handle according to the e-file instructions for that payment method.
 - b. Go to Step 7.
 2. If paying via **Check**, submit the customer's payment to TAX.
 - a. Complete the appropriate Form 760 payment voucher,

NOTE: Forms 760, 760PY and 763 require a payment voucher when paying via check.

 1. If Farmer/Fisherman/Merchant Seaman **IS** claimed, complete the Form 760-PFF voucher.
Please refer to **Tax Year 2017** Form 760-PFF at <http://www.tax.virginia.gov/forms/search/individual/income-tax>
 2. If Farmer/Fisherman/Merchant Seaman **IS NOT** claimed, complete the Form 760-PMT voucher.
Please refer **Tax Year 2017** Form 760-PMT at <http://www.tax.virginia.gov/forms/search/individual/income-tax>
 - b. Staple the check or payment to the Form 760 payment voucher.
NOTE: Disregard the payment voucher instruction "please do not staple" as that instruction is meant for customers only.
 - c. Send the items to TAX as a LAP-Sort 2 item per your regular mailing procedures.
NOTE: This item is to be handled as a **Direct Filed** item.
Please refer to Form: [LAP-SOR-2](#).
Please refer to PROCESS: [TRANSMIT LOCAL FILED RETURNS TO TAX](#)
 - d. Go to Step 7.
- E. If the return is a **refund** return,

NOTE: Customers can be encouraged to use Direct Deposit to reduce the wait time on receiving their refund.

 1. Select the appropriate refund method.
 2. If refund is via **Direct Deposit**, enter the bank account(s) information.
7. Print the completed e-filed return(s), depending on whether you filed federal and/or state returns for the customer.
 - A. Give the return to the customer.
 - B. **Advise them to keep the return in their records.**
NOTE: They must not send this copy of the return to TAX. It is only for their records.
8. Complete Form 8879, *Virginia Individual Income Tax e-file Signature Authorization Form*.
Please refer to the [website](#) for **Tax Year 2017** Form 8879.
NOTE: An electronic signature or electronic stamp for the signature is acceptable.
 - A. Retain this form in the local office for three (3) years.
Please refer to Job Aid: [Guidance on Safeguarding Confidential Customer Information](#)
9. Submit the return.
10. Retrieve the e-File acknowledgment.
 - A. If the return was accepted, continue with the next return.
 - B. If the return was not accepted,
 1. Correct and resubmit the return **OR**
 2. Process the return through Paper Processing.

Published Date

11/28/2018